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- 27 December 1996 [shall come into force from 7 January 1997];
- 24 September 1998 [shall come into force from 27 October 1998];
- 16 December 1999 [shall come into force from 1 January 2000];
- 23 November 2000 [shall come into force from 1 July 2001]
- 26 March 2004 (Constitutional Court Judgment) [shall come into force from 30 March 2004];
- 25 November 2004 [shall come into force from 1 January 2005];
- 14 November 2008 [shall come into force from 1 January 2009];
- 16 June 2009 [shall come into force from 1 July 2009];
- 1 December 2009 [shall come into force from 1 January 2010];
- 20 December 2010 [shall come into force from 1 January 2011];
- 9 July 2013 [shall come into force from 18 July 2013];
- 3 April 2014 [shall come into force from 16 April 2014];
- 23 October 2014 [shall come into force from 1 January 2015];
- 23 November 2016 [shall come into force from 1 January 2017];
- 13 November 2019 [shall come into force from 1 January 2020];
- 21 November 2019 [shall come into force from 1 January 2020].

If a whole or part of a section has been amended, the date of the amending law appears in square brackets at the end of the section. If a whole section, paragraph or clause has been deleted, the date of the deletion appears in square brackets beside the deleted section, paragraph or clause.

The *Saeima*¹ has adopted and
the President has proclaimed the following law:

On Mandatory Social Insurance in Respect of Accidents at Work and Occupational Diseases

Chapter I General Provisions

Section 1. Terms Used in the Law

The following terms are used in this Law:

- 1) **employer** – a natural or legal person who employs the employee or pays for the work of the employee;
- 2) **insurance compensation** – money payments and services to the insured person, as well as money payments to a successor of the right to compensation if an insurance event has occurred;
- 3) **insurance event** – the fact, confirmed by relevant documents, of an accident at work or an accident while on the way to or from work in a means of transport which is possessed by the employer, or contracting an occupational disease which has been determined and has resulted in a temporary incapacity for work, partial or complete loss of capacity for work, or the death of the insured person;
- 4) **insured person** – a person who is subject to insurance in respect of accidents at work and occupational diseases pursuant to the law On State Social Insurance;
- 5) **occupational diseases** – diseases characteristic to certain categories of employees, which are caused by physical, chemical, hygienic, biological and psychological factors in the working environment. The list of occupational diseases shall be approved by the Cabinet;
- 6) [23 October 2014];

¹ The Parliament of the Republic of Latvia

7) **loss of capacity for work** – temporary or permanent limitation of physical or mental capacity, not related to ageing, caused by an accident at work, an accident while on the way to or from work in a means of transport, which is possessed by the employer, or by an occupational disease, which encumbers the integration of the person into society, entirely eliminates or partly restricts the capacity to work and take care of oneself;

8) **insurance contribution wage** – income from paid employment from which the mandatory State insurance contributions (hereinafter – the mandatory contributions) are paid or had to be paid in accordance with the law On State Social Insurance;

9) **accident at work** – harm caused to the health of the insured person or the death of the insured person, if the cause of such is an extraordinary incident, which has occurred within one working day (shift) during the performance of work duties, as well as while acting to save any person or property and to prevent a threat of danger to such;

10) **preventive measures** – measures subsidised or organised by the State Social Insurance Agency, the State, employers and their organisations, organisations of employees, as well as any other institutions, the purpose of which is to prevent accidents at work or occupational diseases;

11) **successor of the right to compensation** – a person who has, in accordance with this Law, the right to insurance compensation or a part of such, if the consequence of the insurance event is the death of the insured person;

12) **mandatory contributions** – the mandatory contributions for insurance in respect of accidents at work and occupational diseases paid by the employer pursuant to the law On State Social Insurance;

13) **technical assistance equipment** – any equipment or technical system, specially produced or generally available, which are used by persons with functional disabilities and which rectifies, compensates, relieves or neutralises the illness, disability or feebleness, as well as reduces the possibility of the onset of disability.

[27 December 1996; 24 September 1998; 16 December 1999; 25 November 2004; 23 October 2014]

Section 2. Purpose of the Law

(1) The Law shall determine:

- 1) the organising of mandatory insurance in respect of accidents at work and occupational diseases (hereinafter – the insurance);
- 2) the formation and use of the insurance resources;
- 3) the rights and obligations of insured persons and insurance institutions;
- 4) liability for violation of this Law.

(2) The objectives of this Law are:

- 1) to ensure insurance compensation, recovery of health and capacity for work and integration into society of the insured person if the person has suffered harm from an accident at work or contracted an occupational disease;
- 2) to guarantee material support to the successor of the right to compensation;
- 3) to ensure the implementation of preventive measures in order to improve the working environment, educate employers and employees, prevent accidents at work and the contracting of occupational diseases;

4) [23 October 2014].

[24 September 1998; 25 November 2004; 23 October 2014]

Section 3. Scope of Application of the Law

This Law shall apply to:

- 1) insured persons;

2) employers.
[16 December 1999]

Chapter II Organising of Insurance

Section 4. State Social Insurance Agency

[25 November 2004]

Section 5. Co-operation with State and Local Government Institutions

[24 September 1998]

Section 6. Tasks of the State Social Insurance Agency

The State Social Insurance Agency has the following tasks in insuring against accidents at work and occupational diseases:

- 1) [25 November 2004];
 - 2) [25 November 2004];
 - 3) [24 September 1998];
 - 4) to ensure insurance compensation for an insured person or a successor of the right to compensation, including cases when the employer has not made the expected insurance payments in accordance with the procedures laid down in law;
 - 5) to assess each insurance event and to determine the amount of insurance compensation;
 - 6) to control the collection of insurance funds and the use of the collected funds;
 - 7) [16 June 2009];
 - 8) [25 November 2004];
 - 9) to request from employers the information necessary for the operation of the State Social Insurance Agency;
 - 10) to examine submissions by employers, insured persons and successors of the right to compensation;
 - 11) to request from State and local government authorities the information necessary for the operation of the State Social Insurance Agency;
 - 12) to discontinue the payment of insurance compensation, if it is ascertained that the compensation were not legally due, as well as in cases when the insured person has not fulfilled the obligations imposed on them;
 - 13) to collect, by judicial process, the amounts unduly paid to an insured person or a successor of the right to compensation, if the cause of the undue payments has been the consequences of an insured person or a successor of the right to compensation having knowingly acted in bad faith;
 - 14) [23 October 2014];
 - 15) to collect from the employers, by way of subrogation, the amounts which have been paid to insured persons or to successors of the right to compensation, if an insured person for whom the employer has not made the due mandatory contributions in accordance with the procedures laid down in this Law has suffered harm;
 - 16) to collect the amounts paid to insured persons or to successors of the right to compensation, by way of subrogation, from employers who have not ensured compliance with the requirements of the Labour Protection Law and other laws and regulations and as a result, at the premises of such employer a person insured by another employer has suffered harm while performing his or her work there at the instruction of his or her own employer.
- [27 December 1996; 24 September 1998; 25 November 2004; 16 June 2009; 23 October 2014]

Section 7. Obligations of Employers

(1) Employers shall have the following obligations:

- 1) [24 September 1998];
- 2) to organise without delay rendering of first aid to the insured person who has suffered harm from an accident at work or an accident while on the way to or from work in a means of transport which is possessed by the employer, as well as ensure their conveyance to a medical institution;
- 3) to ensure a medical examination of the state of health of the insured person at a medical institution, if the doctor has suspicions that an occupational disease has been contracted;
- 4) to ensure the investigation of an accident at work or an occupational disease in accordance with the procedures laid down in law, and, on the basis of the investigation materials, to take the necessary measures in order to eliminate the causes for accidents at work and the contracting of occupational diseases;
- 5) to pay, out of their own funds, to the insured person who has suffered from an accident at work a monetary payment for sickness for the first 10 calendar days in the amount of not less than 80 per cent of the average monthly earnings;
- 6) to pay to employees a lump sum benefit to the amount of one monthly salary (wages) if due to the fault of the employer as a result of a work accident, the employee has suffered serious bodily injury.

(2) [24 September 1998]

(3) [24 September 1998]

(4) [24 September 1998]

(5) In accordance with Section 25, Paragraph three of this Law, the employer shall reimburse, by way of subrogation, the State Social Insurance Agency the costs related to the insurance compensation paid to insured persons and successors of the right to compensation, if the employer has not made the mandatory contributions in accordance with the procedures laid down in law.

[27 December 1996; 24 September 1998; 16 December 1999; 25 November 2004; 14 November 2008]

Chapter III

Determination of Insurance Compensation

[24 September 1998]

Section 8. Procedures for Determination of Insurance Compensation

The procedures for the use of insurance funds and for the granting and calculation of insurance compensation shall be specified by the Cabinet.

[24 September 1998]

Section 9. Insurance Funds

[24 September 1998]

Section 10. Risk Groups and Mandatory Contribution Rates

[23 October 2014]

Section 11. Collection and Payment of Insurance Payments

[24 September 1998]

Section 12. Calculation of Average Insurance Contribution Wage

(1) The average monthly insurance contribution wage shall be calculated from the insurance contribution wage of the insured person for a time period of 12 calendar months, and this time period shall be terminated two calendar months before the month in which the insurance event has occurred.

(1¹) [*Paragraph shall come into force on 1 January 2022 and shall be included in the wording of the Law as of 1 January 2022. See Paragraph 27 of Transitional Provisions*]

(2) The procedures for the calculation of the average insurance contribution wage for the determination of the insurance compensation shall be specified by the Cabinet.

(3) If the insured person during the period of time set out in Paragraph one of this Section was not registered as the performer of mandatory contributions or he or she has not had the insurance contribution wage due to a leave without retention of wage, the average monthly insurance contribution wage shall be calculated in the amount of 40 per cent of the State determined average insurance contribution wage for the calendar year, which ends in the year before the year in which the insurance event has occurred.

(4) If the insured person during the period of time set out in Paragraph one of this Section has not had an insurance contribution wage due to temporary incapacity for work, prenatal and postnatal leave or childcare leave, the average insurance contribution wage shall be calculated from the insurance contribution wage for a time period of 12 calendar months prior such period, which starts not earlier than 32 months before the month in which the insurance event has occurred; however, this wage may not be less than 40 per cent of the State determined average insurance contribution wage for the calendar year which ends in the year before the year in which the insurance event has occurred.

(5) If the insured person during the period of time set out also in Paragraph four of this Section has not had an insurance contribution wage, the average monthly insurance contribution wage shall be calculated in the amount of 40 per cent of the State determined average insurance contribution wage for the calendar year which ends in the year before the year in which the insurance event has occurred.

[*24 September 1998; 25 November 2004; 16 June 2009; 23 November 2016; 21 November 2019 / The new wording of Paragraphs one and two and the amendment regarding the deletion of Paragraphs three, four, and five shall come into force on 1 January 2021 and shall be included in the wording of the Law as of 1 January 2021. See Paragraphs 21 and 26 of Transitional Provisions*]

Section 13. Use of Insurance Funds

(1) [24 September 1998]

(2) [24 September 1998]

(3) For the insured person who has a disability group determined in relation to an accident at work or occupational disease, the granted compensation for the loss of capacity for work shall not be less than the minimum amount of the disability pension determined for the relevant disability group specified in the law On State Pensions.

(4) Compensation for the loss of capacity for work and survivor's compensation shall be reviewed in accordance with the procedures for reviewing the amount of state pensions laid down in the law On State Pensions.

(5) If the amount of the calculated compensation for the loss of ability to work or of the survivor's compensation has not been received in time due to a fault of the institution granting or paying such compensation, the amount of compensation shall be multiplied by the coefficient of inflation for such period of time.

(6) Funds of the special budget for occupational accidents, but not more than 0.5 per cent from the total amount of the funds of the special budget for occupational accidents laid down in the

annual State Budget Law, shall be spent on financing preventive measures which are implemented by the Institute for Occupational Safety and Environmental Health, Agency of the Rīga Stradiņš University, according to the recommendations of the Ministry of Welfare.
[27 December 1996; 24 September 1998; 25 November 2004; 16 June 2009; 3 April 2014]

Section 14. Insurance Compensation

- (1) Insurance compensation shall include money payments and provision of services to the insured person, as well as money payments to the successor of the right to compensation.
- (2) The insured person shall be entitled to receive the following money payments:
 - 1) sickness benefit;
 - 2) compensation for the loss of capacity for work;
 - 3) [16 June 2009];
 - 4) compensation for additional expenses.
- (3) The following services shall be provided for the insured person:
 - 1) medical treatment, care, and medical rehabilitation;
 - 2) retraining;
 - 3) occupational rehabilitation.
- (4) The successor of the right to compensation is entitled to the following money payments:
 - 1) survivor's compensation paid to the family members of the insured person who are not capable to work and have been supported by the insured person;
 - 2) funeral benefit for the insured person.
- (5) When granting insurance compensation (money payments for temporary incapacity for work, loss of capacity for work, loss of a provider, as well as payments of lump sum benefits and compensation), its basis shall be the average monthly insurance contribution wage of the insured person. The total amount of the sickness benefit, compensation for the loss of capacity for work or survivor's compensation to be disbursed monthly as well as the payments specified in Paragraph two, Clause 4 of this Section shall not exceed an amount of twenty-five times the State social security benefit in force on the day of the occurrence of an insurance event which is specified for the persons referred to in Section 13, Paragraph one, Clause 1 of the Law on State Social Allowances.
- (6) Insurance compensation shall be granted from the day the right arises, but not sooner than six months before the day of submitting the request for the compensation and the documents necessary for the granting thereof.
- (7) Disbursement of the compensation for the loss of capacity for work or survivor's compensation shall be discontinued when the recipient of the compensation receives an unemployment benefit. In the case of an overpayment of the compensation for the loss of capacity for work or survivor's compensation, the amount overpaid shall be withheld every month in the amount of 10 per cent from the compensation to be disbursed in the future, on the basis of a decision of an official of a division of the State Social Insurance Agency.
- (8) One of these services shall be granted to an insured person who simultaneously has the right to the compensation for the loss of capacity for work or survivor's compensation, and disability pension in accordance with the law On State Pensions taking into account the choice of the person.

[27 December 1996; 24 September 1998; 16 December 1999; 23 November 2000; 25 November 2004; 16 June 2009; 23 October 2014; 13 November 2019; 21 November 2019]

Section 15. Payment of Insurance Compensation for a Past Period

The calculated insurance compensation which has been granted to the insured person or the successor of the right to compensation, but has not been received by the insured person or

the successor of the right to compensation in due time, shall be paid for a past period, but not longer than for:

- 1) three years – compensation for the loss of capacity for work, survivor's compensation;
- 2) one year – sickness benefits and lump sum benefits.

[24 September 1998; 25 November 2004]

Chapter IV

Rights of Insured Persons and Successors of the Right to Compensation and Obligations of Insured Persons

[25 November 2004]

Section 16. Status of an Insured Person

[24 September 1998]

Section 17. Rights of Insured Persons and Successors of the Right to Compensation

(1) The insured person who has suffered harm from an accident at work or contracted an occupational disease and in respect of whom an insurance event has occurred shall have the right to receive insurance compensation specified in Section 14 of this Law. This provision shall apply also to a person who is not an insured person any more, but who has been an insured person at the time of the occurrence of the insurance event. The insured person for whom his or her employer has made or he or she has had to make mandatory contributions for insurance in respect of accidents at work and occupational diseases for not less than three years has the right to a compensation due to occupational disease.

(2) The insured person and the successor of the right to compensation have the right to receive from the State Social Insurance Agency any information related to the relevant insurance event.

(3) The successor of the right to compensation has the right to receive the insurance compensation specified in Section 14 of this Law, if the death of the person referred to in Paragraph one of this Section has been caused by an accident at work or an occupational disease.

(4) If the insured person or the successor of the right to compensation who has acquired the right to insurance compensation in accordance with this Law, leaves Latvia for permanent residence abroad, such a person shall continue to receive the insurance compensation, starting with the day of departure for such period of time and in such amounts as provided for in this Law.

(5) [25 November 2004]

(6) The insured person and the successor of the right to compensation shall lose the right to insurance compensation, if it is discovered that he or she is not entitled to such, or the grounds for the granting (receipt) and disbursement of such has been the consequence of the insured person or the successor of the right to compensation knowingly acting in bad faith.

[27 December 1996; 24 September 1998; 25 November 2004]

Section 18. Obligations of Insured Persons

Insured persons shall have the following obligations:

1) to observe the requirements of Labour Protection Law and other laws and regulations, as well as to act in accordance with the instructions given for the performance of particular work by the employer or a person who is entitled to give such instructions on behalf of the employer;

2) if an accident at work has occurred:

- a) to notify without delay the employer or an authorised person of the employer,
- b) if their state of health permits, to seek first aid by themselves;

3) in respect of an accident at work or the contracting of an occupational disease, to use the medical assistance covered by the special budget for occupational accidents;

4) to follow doctor's recommendations, encourage recovery and observe the general medical treatment regimen;

5) to keep to the type of occupation and schedule stipulated by the State Medical Commission for the Assessment of Health Condition and Working Ability (hereinafter – the SMC) during the period of receipt of the insurance compensation;

6) to make use of the occupational rehabilitation and retraining financed by the State Social Insurance Agency.

[27 December 1996; 24 September 1998; 23 October 2014]

Chapter V

Money Payments to the Insured Person

Section 19. Sickness Benefit

(1) If the cause of a temporary incapacity for work is an accident at work or an occupational disease, the grounds for payment of the benefit to the insured person shall be a sick-leave certificate issued in accordance with the procedures stipulated by the Cabinet.

(2) If the insured person is absent from work and thereby loses the income to be earned from paid employment, the sickness benefit shall be granted and disbursed to such person for the time period of temporary incapacity for work which is not longer than 26 calendar weeks counting from the first day of incapacity for work if the incapacity is continuous or is not longer than 52 weeks in a period of three years if the incapacity for work recurs with intervals. If the restoration period of the capacity for work lasts longer than 26 calendar weeks, based on the opinion of the SMC the time period for disbursement of a sickness benefit may be prolonged, but not longer than for 52 calendar weeks.

(2¹) The period when the sickness benefit due to the temporary incapacity for work of the insured person was granted and disbursed in accordance with the law On Maternity and Sickness Insurance shall also be included in the period of receipt of the sickness benefit. The period during which the sickness benefit was granted and disbursed to the person due to sickness with tuberculosis shall not be included in this period.

(3) The sickness benefit and the monetary payment for sickness shall be granted to the insured person in the amount of 80 per cent, based on the average earnings of a calendar day or the average insurance contribution wage per day, and it shall be paid to the insured persons in accordance with the following procedures:

1) if an accident at work has occurred: for the first 10 days of incapacity for work – by the employer from his or her own resources, but for the subsequent period of temporary incapacity for work – by the State Social Insurance Agency;

2) if the insured person has contracted an occupational disease: starting from the day of incapacity for work when a special medical commission has determined the occupational disease – by the State Social Insurance Agency.

(4) [24 September 1998]

[27 December 1996; 24 September 1998; 25 November 2004; 14 November 2008; 16 June 2009; 23 October 2014; 23 November 2016; 21 November 2019]

Section 20. Compensation for the Loss of Capacity for Work

(1) In insurance events when in accordance with law the SMC has established a loss of capacity for work on the basis of a referral of a medical institution or a doctor, the State Social Insurance Agency shall grant compensation to the insured person for the loss of capacity for work.

(2) Compensation for the loss of capacity for work shall be paid to the insured person for every month, starting with the day when the loss of capacity for work was determined, taking into account the loss of capacity for work of the insured person and the average monthly insurance contribution wage. The loss of capacity for work of the insured person and the applicable time period shall be determined by the SMC.

(3) When determining the compensation for the loss of capacity for work, the average monthly insurance contribution wage shall be taken into account and calculated for the period of time prior to the day when:

1) the accident at work occurred or the loss of capacity for work was determined;

2) the occupational disease was determined or prior its determination temporary incapacity for work occurred.

(4) Depending on the loss of capacity for work determined by the SMC, insurance compensation for the loss of capacity for work shall be determined for the insured person; the amount of such compensation shall be specified as a percentage of the average monthly insurance contribution wage in the following amounts:

1) 80 per cent – if the loss of capacity for work is 100 per cent;

2) up to 80 per cent – if the loss of capacity for work is 80 - 90 percent;

3) up to 65 per cent – if the loss of capacity for work is 50 –79 per cent;

4) up to 50 per cent – if the loss of capacity for work is 25 – 49 per cent;

5) [16 June 2009].

(5) If an insured person is receiving compensation for the loss of capacity for work and another accident at work occurs to such person or a new occupational disease is determined, such compensation shall be recalculated in accordance with the newly determined loss of capacity for work. In such case, the average monthly insurance contribution wage shall be equal to the one which was established when granting the previous compensation for loss of capacity for work, except in cases when the average monthly insurance contribution wage calculated after another accident at work occurred or after the contracting of an occupational disease exceeds the one calculated before. In such cases, the new compensation shall be determined according to the higher average monthly insurance contribution wage.

(6) [21 November 2019]

(7) Tax shall not be imposed on compensation for the loss of capacity for work, unless tax legislation specifies otherwise.

(8) [24 September 1998]

(9) A person who has been granted service pension or old-age pension shall be granted a compensation for the loss of capacity for work as follows:

1) if the granted amount of the pension does not reach the amount of the compensation for the loss of capacity for work, the insured person shall be disbursed the difference between the amount of the compensation for the loss of capacity for work and the amount of service pension or old-age pension;

2) if the granted amount of the service pension or old-age pension is equal to the amount of the compensation for the loss of capacity for work or exceeds it, the disbursement of the compensation for the loss of capacity for work shall be terminated.

(10) If several insurance events laid down in this Law have occurred to the insured person and the loss of capacity for work in each case is determined separately, the person shall be granted the largest compensation for the loss of capacity for work.

(11) If the insurance event occurs to a person who receives compensation for the harm caused at work up to 1 January 1997, and the loss of capacity for work in each case is determined separately, the compensation for the harm caused at work shall be terminated and the compensation for the loss of capacity for work shall be granted to the person. The amount of the compensation shall not be smaller than the compensation received for the harm caused at work.

(12) Disbursement of compensation for the loss of capacity for work shall be discontinued for a person who receives compensation for the loss of capacity for work on the date when the age specified in the law On State Pensions for the granting of an old-age pension has been reached until the granting of an old-age pension. After the granting of an old-age pension, the compensation for the loss of capacity for work shall be disbursed in accordance with Paragraph nine of this Section.

[27 December 1996; 24 September 1998; 25 November 2004; 16 June 2009; 20 December 2010; 23 October 2014; 23 November 2016; 21 November 2019 / The amendment to Paragraph three, Clause 2 regarding the deletion of the words “or prior its determination temporary incapacity for work occurred” shall come into force on 1 January 2021 and shall be included in the wording of the Law as of 1 January 2021. See Paragraph 26 of Transitional Provisions]

Section 21. Lump Sum Benefits and Compensation

(1) [16 June 2009]

(2) The State Social Insurance Agency shall compensate the insured person additional expenses that have incurred due to an accident at work or an occupational disease, compensate expenses for prosthetics, disbursement for an escort, travel expenses to medical treatment institutions, expenses for the purchase of technical assistance equipment and repair of such, as well as pay for medical treatment, care, medical and professional rehabilitation of the person, if these expenses are not covered by the funds from the State basic budget earmarked for health care and social services. The decision to grant such a lump sum benefit shall be taken by the State Social Insurance Agency if the doctor has confirmed the need of such assistance and if it has not been provided free of charge.

(3) Tax shall not be imposed on lump sum benefits and compensation, unless the tax legislation specifies otherwise.

[27 December 1996; 24 September 1998; 16 December 1999; 16 June 2009; 23 October 2014]

Section 21.¹ Disbursement of Insurance Compensation

The State Social Insurance Agency shall transfer the insurance compensation to the account of a credit institution of the Republic of Latvia or the postal settlement system (PSN) indicated in the submission of the recipient of the insurance compensation. Upon request of the recipient of the insurance compensation, the compensation for the loss of capacity for work and survivor's compensation shall be delivered to his or her place of residence for a fee, deducting delivery expenditure from the compensation according to the fee laid down in the annual State Budget Law for delivery of pension, benefit or remuneration.

[16 June 2009]

Chapter VI

Guarantees in the Event of Death of an Insured Person

Section 22. Funeral Benefit

(1) If an accident at work, a disease caused by an accident at work, or an occupational disease has resulted in the death of an insured person, as well as if a person who receives compensation for the loss of capacity for work has deceased, a funeral benefit shall be granted.

(2) A funeral benefit shall be granted and paid to the parents of the insured person, the surviving spouse and children, or another natural or legal person who has undertaken to arrange the funeral.

(3) A funeral benefit shall be granted and disbursed in the amount of twice the average monthly insurance contribution wage, but not less than the State determined average monthly insurance contribution wage for the calendar year, which ends in the year before the year in which the right to funeral benefit has occurred. If a person who received compensation for the loss of capacity for work has deceased, the funeral benefit shall be paid in the amount of twice the average monthly insurance compensation of the deceased person.

(4) If as a result of an accident at work or an occupational disease the death of an insured person has occurred abroad, and the funeral expenses exceed the amount specified in this Section, due to reasons referred to in Paragraph one of this Section, the State Social Insurance Agency is entitled to increase the funeral benefit by the amount necessary to cover the funeral expenses, on the basis of invoices and receipts which confirm the abovementioned expenses.

(5) If the right to receive the funeral benefit of the deceased person in accordance with the provisions of this Law and the law On State Pensions exists, the benefit shall be granted and disbursed in whichever amount is greater.

[24 September 1998; 23 November 2000; 25 November 2004]

Section 23. Survivor's Compensation

(1) If an accident at work or an occupational disease has resulted in the death of an insured person, family members who are incapable to work who were fully or partially supported by such a person, shall have the right to survivor's compensation.

(2) Survivor's compensation shall be calculated on the basis of the average monthly insurance contribution wage of the insured person, and benefits shall be granted in the following amounts:

1) to the surviving spouse and the parents – up to 25 per cent;

2) to the surviving spouse (irrespective of the compensation referred to in Paragraph two, Clause 1 of this Section), one of the grandparents (irrespective of their age), one of the adult brothers (adult sisters), if he (she) is raising a child of the insured person under the age of eight years – up to 25 per cent. The same applies to the surviving spouse who is expecting a child of the insured person after his death;

3) to the children of the insured person until they reach the age of 18, if one of the parents has survived:

a) to one child – up to 25 per cent,

b) to two children – up to 35 per cent,

c) to three children – up to 45 per cent, or

d) to four or more children – up to 55 per cent;

4) to the children of the insured person until they reach the age of 18, if they have become orphans:

a) to one child – up to 40 per cent,

b) to two children – up to 50 per cent,

c) to three children – up to 60 per cent, or

d) to four or more children – up to 70 per cent;

5) to the children of the insured person who are over the age of 18, if they have become disabled before the age of 18; brothers, sisters and grandchildren who are under the age of 18 and do not have parents capable to work; brothers, sisters and grandchildren irrespective of their age, if they do not have parents able to work and they have become disabled under the age of 18; children who are, at the time of the death of the provider or later, full-time students of secondary or higher educational institutions, if they are under the age of 24 - 25 per cent each.

(3) The children who have been under the guardianship of or who were adopted by the insured person, if the guardianship or the adoption was confirmed prior to the accident at work or prior to the occurrence of the last incapability for work caused by the occupational disease; the stepchildren, if they do not receive child support from their parents; as well as the illegitimate

children of the insured person, have the same right to survivor's compensation as the children born in marriage.

(4) The adopters, the stepfather and the stepmother of the insured person, if they were supported by the insured person and had raised and provided maintenance for the insured person for not less than five years, have the same right to the survivor's compensation as the parents of the insured person.

(5) The compensation calculated for the persons referred to in Paragraph two of this Section shall not exceed 80 per cent of the average monthly insurance contribution wage of the insured person and it shall not be less than the State social security benefit, observing that the amount of the compensation for each child of a deceased provider shall not be less than the minimum amount determined by the Cabinet.

(6) The survivor's compensation to the persons referred to in Paragraph two, Clause 5 of this Section, shall be calculated only if the survivor's compensation have been ensured for the persons referred to in Paragraph two, Clauses 1, 2 and 3 or Clauses 2 and 4 of this Section.

(7) To the family members of the insured person, who are paid the survivor's compensation pursuant to Paragraph two, Clause 1 of this Section, the abovementioned payments shall be discontinued on the day when the insured person would have reached the age required for the entitlement of old age pension. In such case, each such person shall be paid a lump sum benefit in the amount equal to the sum due to such person in survivor's compensation for a period of one year (if the right to the compensation does not cease to be valid during this period of time).

(8) The right to the survivor's compensation arises on the day of the death of the provider. Such benefits shall be calculated starting from the day the right arises and shall be paid when the right to the benefits has been confirmed by documentation.

(9) If the amount of a survivor's compensation which has been calculated taking into account the average monthly insurance contribution wage of the insured person does not reach the minimum amount specified by the Cabinet for each child, the difference between the specified minimum amount and the survivor's compensation calculated for each child for the loss of a provider shall be covered from the State basic budget in conformity with Section 13, Paragraph four of this Law, and the disbursement thereof shall be ensured from the State basic budget grant provided for in the annual State budget law which is transferred into the special budget for occupational accidents.

(10) The Cabinet shall determine the minimum amount of a survivor's compensation for each child and the procedures for the review thereof.

[27 December 1996; 24 September 1998; 16 December 1999; 25 November 2004; 23 October 2014; 23 November 2016 / Amendment to Paragraph five and Paragraphs nine and ten shall come into force on 1 April 2017. See Paragraph 19 of Transitional Provisions]

Chapter VII

Liability for Violations of the Law and Procedures for Examination of Disputes

Section 24. Liability for the Making of Insurance Payments

[24 September 1998]

Section 25. Liability for Concealment of Information and Provision of False Information

(1) For the concealment of information, provision of false information, or the submission of such information past term, if it is related to a reduction in the amount of the average insurance contribution wage, the mandatory contribution debt and a fine in the amount of the debt shall be collected from the employer, but in the case of each repeated violation within one year – the debt and a fine in the amount of twice the debt of payments.

(2) For a failure to submit information, account documents or control documents in due time, or for evasion to submit such, as well as for submission of false information to the State Social

Insurance Agency the employer shall be held liable in accordance with procedures laid down in law.

(3) If an insured person has suffered harm from an accident at work or contracted an occupational disease, but the employer has not made, in accordance with the procedures laid down in law, the initial and current mandatory contributions, then all payments related to the insurance benefits that such person is entitled to shall be covered by the State Social Insurance Agency, and such payment amounts shall be collected, by way of subrogation, from the employer by the State Social Insurance Agency:

1) [24 September 1998];

2) [24 September 1998].

[27 December 1996; 24 September 1998]

Section 26. Liability of Insured Persons and Deductions from Payments

(1) If an insured person has knowingly failed to fulfil the obligations set out in Section 18 of this Law, the State Social Insurance Agency shall discontinue the payment of the insurance compensation, but if the cause of insurance compensation payments has been the consequence of the insured person or a successor of the right to compensation knowingly acting in bad faith, the State Social Insurance Agency shall collect from such persons, through judicial process, the amounts groundlessly paid to them.

(2) Deductions from payments, which are made from the special budget for occupational accidents, can be performed on the basis of:

1) court adjudication and decisions of other institutions (officials) that are executed in accordance with the procedures, which have been prescribed for the execution of court adjudication;

2) decisions of institutions (officials) which are to be executed by uncontested procedures;

3) an order by the director of a division of the State Social Insurance Agency to collect the amounts overpaid to the insured person due to the fault of the insured person. In such case not more than 10 per cent from the amount to be paid shall be collected monthly.

(3) Deductions from payments, which have been made from the special budget for occupational accidents, shall be calculated from the amount to be paid to the recipient. The total monthly amount of deductions may not exceed 50 per cent of the amount to be paid. If the disbursement is terminated before the discharge of the debt, divisions of the State Social Insurance Agency shall collect the remaining amount of the debt in accordance with the procedures laid down in law.

(4) No deductions shall be made from funeral benefits.

[27 December 1996; 24 September 1998; 25 November 2004]

Section 27. Dispute and Appeal of Administrative Acts Issued by the Officials of the State Social Insurance Agency

A person may dispute administrative acts issued by employees of the State Social Insurance Agency or actual action within one month from the day of the coming into effect of the administrative act by submitting a relevant submission to the Director of the State Social Insurance Agency. A decision of the director of the State Social Insurance Agency may be appealed to a court within the time period of one month from the day of the director's decision coming into effect.

[25 November 2004]

Transitional Provisions

[27 December 1996]

1. The Law shall also apply to the persons who were insured against accidents at work and occupational diseases in the Republic of Latvia prior to 17 June 1940 and lost the capacity for work due to an accident at work or an occupational disease.

2. Prior to the adoption of the law on social insurance, insurance contributions for insurance in respect of accidents at work or occupational diseases shall be deemed as social insurance contributions and shall be included in the social tax rate.

3. Expenditures that are necessary in order to implement insurance in respect of accidents at work and occupational diseases shall be partly covered by the State base budget in 1997.

4. For persons who have suffered harm from an accident at work or who have been determined to have an occupational disease up to 1 January 1997, and persons whose occupational disease caused by the work performed up to 1 January 1997 has been determined after the abovementioned date, but who are not considered to be insured persons in accordance with this Law, as well as persons who up to the abovementioned date had the right to receive survivor's compensation for harm caused due to the loss of a provider, if the cause of the death of the provider was an accident at work or an occupational disease, the compensation for harm shall be paid by the employer or his or her successor in interest. If the judicial fact is determined that the employer or his or her successor in interest who is liable for the harm caused at work is undeterminable, the compensation for the compensation for harm payments shall be paid by the State Social Insurance Agency. The procedures for the calculation, financing and payment of the compensation for harm shall be determined by the Cabinet.

[16 December 1999; 25 November 2004]

5. *[3 April 2014]*

6. *[23 October 2014]*

7. *[25 November 2004]*

8. For an employee for whom according to the sick-leave certificate issued in accordance with the procedures stipulated by the Cabinet the right to sick pay to be disbursed by an employer has incurred until 31 December 2008 and incapacity for work continues uninterruptedly after 1 January 2009, the sick pay for temporary incapacity for work shall be continued to be disbursed by the employer starting from the 11th until the 14th calendar day.

[14 November 2008]

9. The compensation for harm specified in Paragraph 4 of these Transitional Provisions shall be granted to persons whose loss of capacity for work determined by the SMC complies with the loss specified in Paragraph four of Section 20 of this Law. If the abovementioned persons have been granted unemployment benefit, the compensation for harm shall be disbursed in compliance with Section 14, Paragraph seven of this Law.

[16 June 2009; 23 October 2014]

10. The amount of the compensations for the loss of capacity for work or survivor's compensations shall not be reviewed from 1 January 2009 to 31 December 2012. Compensations for the loss of capacity for work or survivor's compensation the amount of

which does not exceed 200 lats in 2013 shall be reviewed on 1 September by applying the index 1.04.

[9 July 2013]

11. The sickness benefit shall be disbursed to the insured person whose temporary incapacity for work has occurred up to 30 June 2009 and continues after the abovementioned date for the whole period of temporary incapacity for work, but not longer than for 52 calendar weeks counting from the first day of incapacity for work if the incapacity is continuous or not longer than for 78 weeks in a period of three years if incapacity for work recurs with intervals.

[16 June 2009]

12. The compensation of the loss of capacity for work or the compensation for harm at work granted up to 31 December 2009 shall continue to be disbursed to the person to whom the SMC has established the loss of capacity for work within the range of 10 to 24 per cent for the time period determined in the decision to grant and recalculate a service, as well as to extend the disbursement period.

[16 June 2009; 23 October 2014]

13. The recipient of the compensation for the loss of capacity for work to whom up to 30 June 2009 has been granted service pension or old-age pension shall have the compensation of the loss of capacity for work disbursed up to the abovementioned date for the time period determined in the decision to grant and recalculate a service, as well as to extend the disbursement period.

[16 June 2009]

14. Amendments to Section 6, Paragraph seven, Section 12, Paragraphs one and four, Section 13, Paragraph six, and Section 14, Paragraph seven of this Law shall come into force on 1 January 2010.

[16 June 2009]

15. Amendments to Section 20, Paragraph four of this Law in respect of deletion of Paragraph five shall come into force on 1 January 2010.

[16 June 2009]

16. The recipient of the compensation for the loss of capacity for work to whom up to 31 December 2010 has been granted service pension or old-age pension from the State basic budget, shall have the compensation of the loss of capacity for work disbursed up to the abovementioned date for the time period determined in the decision to grant and recalculate a service, as well to extend the disbursement period.

[20 December 2010]

17. If the sick-leave certificate has been issued up to 30 June 2015 and submitted to the State Social Insurance Agency after 30 June 2015, it requires a confirmation by the employer regarding the absence from work of the insured person.

[23 October 2014]

18. Amendments to Section 14, Paragraph six of this Law in relation to replacing of the number "12" with the word "six" shall come into force on 1 January 2016.

[23 October 2014]

19. Amendments to Section 23, Paragraph five of this Law regarding the replacement of the words and the number "shall not be less than 65 per cent of the State social security benefit"

with the words “shall not be less than the minimum amount determined by the Cabinet for a child whose provider is deceased”, and also Section 23, Paragraphs nine and ten shall come into force on 1 April 2017. The amount of the survivor’s compensation in accordance with the minimum amount for each child specified in Section 23, Paragraph nine of this Law shall be reviewed from 1 April 2017 and the difference shall be disbursed until 30 September 2017.

[23 November 2016]

20. Section 20, Paragraph twelve of this Law in respect of the suspension of the disbursement of compensation for the loss of capacity for work when reaching the age necessary for the granting of an old-age pension shall be applicable to those persons who have reached the age specified in the law On State Pensions after 1 January 2017.

[23 November 2016]

21. Amendments to Section 12 of this Law regarding the new wording of Paragraph two and the deletion of Paragraphs three, four and five shall come into force on 1 January 2021.

[23 November 2016; 21 November 2019 / *The abovementioned amendments shall be included in the wording of the Law as of 1 January 2021*]

22. The Cabinet shall, by 31 December 2020, issue the regulations referred to in Section 12, Paragraph two of this Law regarding the conditions and procedures for the calculation of the average insurance contribution wage.

[23 November 2016; 21 November 2019]

23. The average insurance contribution wage of a person determined in accordance with the legal provisions in force until 31 December 2020 shall be used for calculating the compensation for insured persons whose insurance event in respect of the granting of the compensation for the loss of capacity for work and the survivor’s compensation has occurred until 31 December 2020. The average insurance contribution wage of a person determined in accordance with the legal provisions in force until 31 December 2021 shall be used for calculating the benefits for insured persons whose insurance event in respect of the granting of the sickness benefit and funeral benefit has occurred until 31 December 2021.

[21 November 2019]

24. The compensation and disability pension granted until 31 December 2019 for the recipient of the compensation for the loss of capacity for work or survivor’s compensation who has also been granted a disability pension until the abovementioned date shall continue to be disbursed until the time period specified in the decision on the granting, recalculation or extension of the term of disbursement.

[21 November 2019]

25. If the amount of compensation for the loss of capacity for work has been increased for the insured person until 31 December 2019 in accordance with Section 20, Paragraph six of this Law, the increased compensation shall continue to be disbursed until the day when a lower disability group is determined for the person.

[21 November 2019]

26. The amendment regarding the new wording of Section 12, Paragraph one of this Law and the amendment to Section 20, Paragraph three, Clause 2 regarding the deletion of the words “or prior its determination temporary incapacity for work occurred” shall come into force on 1 January 2021.

[21 November 2019 / *The abovementioned amendments shall be included in the wording of the Law as of 1 January 2021*]

27. Section 12, Paragraph 1.¹ of the Law shall come into force on 1 January 2022.
[21 November 2019 / Section 12, Paragraph 1.¹ shall be included in the wording of the Law as of 1 January 2022]

The Law shall come into force on 1 January 1997.

The Law has been adopted by the *Saeima* on 2 November 1995.

President

G. Ulmanis

Riga, 17 November 1995